Revival of closed units of HFC and FCI

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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether an in principle decision has been taken by Government to revive the eight closed urea producing units of Hindustan Fertilizer Corporation (HFC) and Fertilizers Corporation of India (FCI) with natural gas as feed stock;

(b) if so, the details thereof, plant-wise and the companies entrusted to handle the revival of the plants;

(c) wherefrom the feedstock natural gas would be sourced and by when the laying of gas pipe lines to the plant heads would be completed; and

(d) the estimated cost of revival of the above plants and the details of investment pattern thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) The Government has decided 'in principle' to examine the possibility of revival of closed fertilizer plants of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) subject to the confirmed availability of gas. The decision of the Government has been intimated to FCIL and HFCL for implementation. Fertilizer PSUs/Cooperative -Rashtriya Chemicals and Fertilizers Ltd. (RCF), National Fertilizers Limited (NFL) and Krishak Bharati Cooperative Ltd. (KRIBHCO) have shown their intention to participate in the revival process of certain units of FCIL and HFCL. Revival of HFCL-Barauni and FCIL-Ramagundam through NFL, FCIL-Talcher and HFCL-Durgapur through RCF and FCIL-Gorakhpur through KRIBHCO has been proposed. The process of preparing techno-economic feasibility reports has been initiated. As regards revival of FCIL-Korba and Sindri and HFCL-Haldia, options are being explored.

The gas availability in the country is projected to improve from 2009-10 onwards. The companies are exploring the assured availability of gas for revival of these closed units. However, no assured availability of gas has been confirmed yet.

The pipeline to the plant heads are expected to be drawn as spur lines from the projected extension of HBJ Pipeline from Jagdishpur to Haldia for Gorakhpur, Durgapur and Barauni units. For Ramagundam, a spur line from the projected Kakinada to Uran Gas Pipeline of Reliance will provide the requisite connectivity. Talcher unit is expected to be revived through coal gasification route. However, the connectivity to spur line will be initiated only after availability of gas for the project is tied up.

The estimated cost of revival of the above plants cannot be anticipated at this stage owing to several factors such as finalization of production capacity, infrastructural requirements etc. However, it is estimated that a one million tonne production capacity plant of urea will cost approximately Rs. 3500 crore.